

VZCZCXRO6180  
RR RUEHAST RUEHBI RUEHCI RUEHDBU RUEHLH RUEHNEH RUEHPW  
DE RUEHKA #0322/01 0911008  
ZNR UUUUU ZZH  
R 011008Z APR 09  
FM AMEMBASSY DHAKA  
TO RUEHC/SECSTATE WASHDC 8545  
INFO RUEATRS/DEPT OF TREASURY WASHDC  
RHHMUNA/USCINCPAC HONOLULU HI  
RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE

UNCLAS SECTION 01 OF 02 DHAKA 000322

SENSITIVE  
SIPDIS

DEPT FOR: SCA/INS  
DEPT PLEASE PASS USTR

E.O. 12958: N/A

TAGS: [EAID](#) [ECIN](#) [ECON](#) [EFIN](#) [ETRD](#) [WTRO](#) [BG](#)

SUBJECT: BANGLADESH CONCERNS ON ITS EXCLUSION AT G20 SUMMIT

1.(SBU) During the preparations for the upcoming Group of Twenty (G20) Summit in London, the Government of Bangladesh (GOB) expressed interest in attending the Summit, as an observer, to represent the Least Developed Countries (LDCs). GOB officials had raised this issue with various diplomatic missions over the last few months, including the US Embassy.

2.(SBU) The G20 eventually decided against inviting an LDC observer to the Summit. In response the GOB has submitted the following non-paper regarding this decision to the Embassy.

Begin Non-Paper:

Non-paper for the G -20 Summit (London 2nd April) on behalf of the LDC Group

Bangladesh, as Coordinator of the Least Developed Countries, is placing the following issues for consideration of the G20 Summit to be held in London on 2nd April 2009:

-- The LDC Group has serious concern about not being allowed to be represented in the G20 Summit and in its other forums at the levels of finance ministers and central bank governors. It is regrettable that the interests and concerns of the LDCs, a Group of 49 most vulnerable countries and the unfortunate home of the "bottom billion", continues to remain unrepresented in the G20. Bangladesh, as the Coordinator of the LDC Group in the international fora, seeks support of the G20 Group on some key issues that are critically important for the LDCs.

-- The LDCs are highly vulnerable to the unfolding financial crisis. Exports, terms of trade, migration and remittances, ODA, FDI are some of the key areas where the LDCs would be severely affected. This would, in turn, negatively affect the socio-economic development programmes that these countries are currently implementing in order to achieve their respective national development goals including the MDGs. This might lead to social unrest in the LDCs with all its accompanying malaises.

-- The fiscal space, which could have been an important stabilizer, is absent in LDCs. We cannot afford to offer stimulus package for arresting the recession in our economies. It is apprehended that even if the LDCs could put together some stimulus package, it would remain dependent on external resources for its implementation.

-- Protectionist approach is a major threat to the LDC exports. We welcome the pledges of the G20 countries to fight all forms of protectionism and maintain open trade and investment. Stalemate in the WTO Doha Trade negotiation is a big challenge for the LDCs. The LDCs, therefore, urge for an early conclusion of the WTO Doha Trade negotiations. We call upon the G20 members to decide on key development deliverables such as duty-free, quota-free market access, and trade capacity building for LDCs as soon as possible to tackle the financial crisis.

-- Many of the LDCs have been facing huge unemployment at national level. This has only aggravated with the financial crisis. Overseas market provides a major source of their employment and foreign exchange. Remittance constitutes a significant part of their GDP. The LDCs are seriously concerned that the migrant workers are being made to be disproportionately affected by the unfolding crisis in the global job market. Any decrease in the capital flow sent by migrants will have significant negative impacts on the migrant-sending country's development. The LDCs, therefore, call upon the G20 to ensure employment guarantee for all existing migrant workers of the LDCs in all markets. Access of skilled and semi-skilled workers from LDCs to the advanced economies should also be granted.

-- The LDCs are also drawing attention of the G20 to the existing internationally agreed commitments, including those made on financing for development in the Doha Conference last year. These assistances for the LDCs become even more urgent during the current global recession in order to meet their basic needs. Developed countries should scale-up their effort to fulfill their Brussels aid commitment of 0.2 percent of GNI to LOCs by 2010. Under the current circumstances, donors should make concerted efforts to enhance the share of assistance that is untied and provided in the form of direct budgetary support.

-- The LDCs also recognize that issues like external debt relief, access to credit, technical assistance, capacity building and technology transfer are areas where the support of the international community in general and of the G20 in particular is crucial for the LDCs.

-- The current financial crisis, no doubt, manifests a gross failure

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of the global economic architecture. International monetary and financial systems need to be fundamentally reformed in a way that also meets the concerns of the LDCs.

-- The LDCs believe that the United Nations, as the only institution having universality of membership and credibility, must play a central role in the necessary reform of the international financial system. The upcoming UN Conference on financial crisis from 1 to 3 June 2009 would provide an important opportunity to examine various facets of the crisis and remedial measures. The G-20 Summit can make substantive contributions to the upcoming UN Conference for a successful outcome.

End Non-paper

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